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**Details:** 

(FORM UPDATED: 07/12/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

### Assembly

(Assembly, Senate or Joint)

Committee on ... Agriculture (AC-Ag)

#### **COMMITTEE NOTICES ...**

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH
- Record of Comm. Proceedings ... RCP

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt
- Clearinghouse Rules ... CRule
- Hearing Records ... bills and resolutions

(ab = Assembly Bill) (sb = Senate Bill) (ar = Assembly Resolution)

(**sr** = Senate Resolution)

(ajr = Assembly Joint Resolution) (sjr = Senate Joint Resolution)

Miscellaneous ... Misc

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### **AB 15 Testimony before the Assembly Agriculture Committee** February 2, 2005

Thank you Mr. Chairman, my name is Erin Roth; I am the Executive Director of the Wisconsin Petroleum Council. The Council is affiliated with the American Petroleum Institute in Washington, D.C. API represents over 450 companies involved in all aspects of the petroleum industry including exploration, production, refining, transportation and marketing of fuels.

First, many members have asked me, "if we already use ethanol in the Milwaukee non-attainment area, why can't we use it statewide. The answer is that we market very different fuels in the state. The gasoline in Milwaukee is a special blend called RFG. It is required under the Clean Air Act because of ozone pollution. Yes. we do use 100% ethanol. However, it is more expensive to make and much different then blending conventional gasoline to make an E 10. With RFG we must lower what is called the Reid Vapor Pressure in the stock gasoline before adding ethanol to accommodate for the increased ethanol emissions in order to meet the EPA requirements. In conventional gasoline that is used in the rest of the state, we do not reduce the RVP, even when blending with ethanol, because the rest of the state is not an ozone non-attainment area.

Secondly, many who support this mandate turn to Minnesota as the reason WI should adopt this legislation. As many of you know, I am a native of the land that brought us Randy Moss and went through the ethanol wars there in the mid-90's. The reason MN began using ethanol was because of a carbon monoxide non-attainment in the Twin Cities during the winter months not an ozone non-attainment like we have along the whole Lake Michigan corridor. While it is proven that ethanol does a good job of cleaning up CO, on the flip side, it emits other evaporative emissions that can contribute to ozone problems. The point is that it may not be the prudent in this case to be like a Randy Moss, but rather maybe something a bit different. In fact recent studies raise concerns about ethanol use in gasoline because of its evaporative nature on hot summer days, even when the vehicle is not running. The increased amount of volatile

organic compounds and nitric oxide emissions are something the state should be concerned about. These are both precursors for the creation of low-level ozone that is a health concern for many Wisconsinites including asthmatic children and elderly adults with respiratory ailments. The increased emissions that would result from this proposal are the same emissions that we are trying to control along the Lake Michigan non-attainment areas and something we think the legislature should be concerned about.

The Council is here today on behalf of its member companies who do business in the state to oppose AB 15. I am also here to tell you that my industry does not oppose the use of ethanol in gasoline or the use of renewable fuels. The industry I represent is the largest customer to the ethanol industry. And, quite frankly, we use it in markets where it most makes sense. We feel strongly that consumers should have a choice at the pumps and in letting the free market be allowed to work. What is next if this bill passes? Your neighborhood grocery store will be required to only sell Corn Flakes? Corn growers may like that, but I don't think consumers will.

I want you to know that I worked very diligently with the Wisconsin Corn Grower's, the WI Ethanol Producers Ass'n and the WI Farm Bureau during the last session of Congress to lobby for the National Energy Bill that included a Renewable Fuel Standard. This provision would have almost doubled the use of ethanol in fuels nationally and would have had a positive impact on WI ethanol producers and corn growers. My industry believes that there needs to be a national solution to ethanol use rather then a state-by-state patch work that can create fuel supply and distribution problems and volatility in the marketplace. Unfortunately this legislation got tied up in Washington politics in the Senate. We are hopeful that the new Congress will see fit to make this issue a priority and I pledge to once again work with the farm community for a national solution that makes ethanol blended gasoline more rather then a state mandate that will reduce our flexibility to deliver gasoline products to market. Different state fuel requirements often developed with little regard for the increased risk to fuel distribution and supply disruptions have the effect of actually reducing supply, especially in times of high demand.

In Iowa, where they are debating the same issue, Sen. Thurman Gaskill, a Republican state senator and former president of the National Corn Growers Association last month was quoted as saying he is "opposed to mandates", and "we have the market percentage growing every year." In Iowa, since 2001, ethanol blended gasoline has risen from 45% to 69%. As an industry, we think we can attain those same figures over time by working with the ethanol industry and consumers by letting the free market work.

In fact, Cargill, Incorporated president and COO stated that "the ethanol industry anticipates by 2012, with the phase out of MTBE, i.e. CA and NY, that an equal amount of ethanol will be blended in gasoline as that which is contained in the current National Energy Bill in Congress, 5 billion gallons." This will all be accomplished without state-by-state mandates. Cargill, based in Mpls., is one of the largest private agri-business in the country. Their president and COO went on to state that; "guaranteed (mandated) markets tend to get overbuilt, depressing margins for every participant." He went on to say "relying on markets rather then mandates is likely a better way to take care of the U.S. corn farmer's number one market, the U.S. livestock industry."

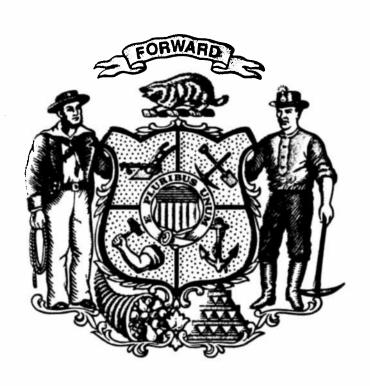
During a similar debate in Iowa a couple of years ago a poll was conducted aimed at gasoline purchasers showed when asked as to whether they would support or oppose mandating only ethanol blended gasoline in the state, seven out of ten respondents said they would oppose such a requirement. Many legislators who distrusted the study went back to their districts and conducted their own polling and found the answer from their constituents closely mirrored the Mason-Dixon poll. We believe a similar poll in Wisconsin would show the same results.

One final thought to consider is that vehicles that use 10% ethanol blended gasoline, especially older ones, generally lose about 3% efficiency. That means that Wisconsin consumers will have to open their wallets more often to fill their tanks at a time when consumers

are already paying a higher then normal amount annually at the pumps.

My members want you to know that we will continue trying to find common ground on the issue of increased ethanol usage in gasoline in the state. I have personally given that commitment to Rep. Freese and many of you. Unfortunately, at this point in time, any proposal to accomplish goals of the bill that mandate use of the product, we cannot support. One last question I want to raise is would this proposal if passed, apply to service stations located on Native American lands? I don't know the answer, but I think it is another one raised, along with the environmental concern, that counsel may want to research for the committee before moving forward.

Thank you.



Wednesday, February 2nd, 2005

From: John Mueller 307 Mary Street Cambria, WI 53923

To The Honorable Chairman Representative Ott and members of the Assembly Agricultural Committee:

Please accept this statement regarding AB 15 in lieu of an appearance before your committee on Thursday, February 3rd, 2005. I regret I will be unable attend the hearing in person.

I write this in opposition to the legislation proposing a mandated requirement that all motor fuel sold in the State of Wisconsin contain approximately 10% ethanol by volume. This is a totally inadequate and inappropriate solution to air quality degradation, does nothing to lessen our dependance on foreign sources of oil, and amounts to a burdensome tax which will disproportionately affect the working poor in Wisconsin.

Automobile manufacturers have made great strides in controlling emissions from their vehicles in the last decades. The small, additional reductions in automobile carbon monoxide emissions postulated by proponents of ethanol pale in comparison to the reductions already achieved with advancing emissions technology. In fact, there is a growing body of evidence suggesting that using ethanol as a motor fuel additive increases emissions of ozone producing compounds by evaporation due to the increased volatility of ethanol mixed fuel. If the Legislature truly wishes to protect air quality in our state, they would do better devising incentives to encourage people to purchase automobiles instead of SUVs and light trucks which are not required to meet the same stringent emissions requirements as standard cars.

Producing a gallon of ethanol requires much greater inputs of energy in the form of natural gas and electricity than producing a gallon of pure gasoline. Best estimates from advocates suggest a slight gain in energy produced versus energy consumed. More realistic estimates suggest that the ratio is at the break-even point or worse. In other words, it may well be that it takes at least as much energy to produce a gallon of ethanol as you get back out of it. This does nothing to reduce our dependence on foreign oil and will only increase competition for already dwindling supplies of domestic natural gas.

People using ethanol fuel blends see a measurable reduction on gas milage as ethanol contains fewer B.T.U. of recoverable energy per gallon compared to straight gasoline. This means that for every 10 gallons of gas a person may have burned using straight gasoline, they now will be forced to use about 11 galloons of ethanol blended fuel. As ethanol blended fuels cost more per gallon than regular gasoline, the additional cost per mile traveled will be quite noticeable. This will be especially burdensome to the people least able to afford the additional expense. This seems especially onerous given the huge increases in gasoline prices in recent times.

Producing ethanol, in addition to consuming huge amounts of energy and groundwater, also contributes to the degradation of our air quality right here in Wisconsin. For example, a state of the art ethanol plant coming online this spring in Friesland is permitted by the WDNR to discharge:

76.2 Tons per Year of Particulate Matter 97.5 Tons per Year of Nitrogen Oxides 90.9 Tons per Year of Volatile Organic Compounds 97.3 Tons per year of Carbon Monoxide

As I write this, the entire state of Wisconsin has been under an air quality health advisory issued by the WDNR. The forecast is that this advisory will be in effect for much of Wisconsin at least through

this weekend. It's irresponsible for our Legislature to enact a mandate to encourage an industry which routinely emits hundreds of tons of pollutants per year.

If Wisconsin drivers wish to burn ethanol-laced fuel in their vehicles, they may choose to do so today as there are many retailers currently selling ethanol blended fuels. It makes no sense from the point of view of consumers to have that choice taken away. I urge you to reject this ill-conceived mandate.

Sincerely,

John Mueller

Cambria



# Assembly Agriculture Committee February 3, 2005 Assembly Bill 15 Requiring 10% Ethanol in WI Gasoline

#### Secretary Rod Nilsestuen - DATCP (In Favor)

- Growing Wisconsin's bio-based industries is one of our best opportunities to grow Wisconsin agriculture and Wisconsin's economy.
- Ethanol is the premiere value added product in this state.
- The Doyle administration is a strong and willing partner in the effort to increase the use of renewable energy.

#### Al Shea – DNR (Information Only)

- Begin by setting the record straight regarding the draft report that was released to the media.
- The report released to the Milwaukee Journal Sentinel was not ready for release and contained errors.
- Department feels the mandate would have "marginal" negative impacts.

#### Representative Gene Hahn

• Brazil is "self-sufficient" because of ethanol. No oil imports needed.

#### Dr. Gary Whitten (In Favor)

- His studies indicate that the use of ethanol reduce the following pollutants:
  - Methane
  - Carbon dioxide
  - Fine Particulates
  - Toxins
  - Carbon Monoxide
  - VOC
- Also says ethanol does not increase NOx and ethanol helps the catalyst.

### Erin Roth – WI Petroleum Council & David Blatnik – Marathon Ashland Petroleum (Against)

- No guarantee petroleum companies will purchase Wisconsin produced ethanol. They buy their ethanol where the market is best.
- Cost of lowering vapor pressure (to reduce emissions) will be passed on to customers and will increase the overall cost of fuel.
- Wisconsin is "non-attainment" for reasons other than Minnesota. Ozone v. CO
- Consumers want choice.
- Iowa increasing the use of ethanol without a mandate.
- Feel efforts at the national level better suited to increase ethanol use in a responsible way.
- Requirements of the mandate may not apply to tribal lands.
- State-by-state mandates are problematic for distributors (boutique fuels).
- Marathon purchases less than 50% of ethanol required in MN from that state.
- As the price of corn goes down, the price of ethanol does not follow. Trends with the price of gasoline.

#### Questions/Comments from the Committee:

**Petrowski** – There are already many blends of fuel. This would simply be one more. How long would you need to facilitate this new blend?

• About a year to build new tanks and infrastructure.

Ainsworth – Consumers really won't have a choice unless ethanol is required.

Molepske – How much would costs go up?

• Based on fuel efficiency loss, etc. – could be up to \$100 Billion.

Ott – Please be prepared to bring forward ideas that can make this bill better.

#### Wisconsin Ethanol Producers (In Favor)

- Will have the capacity to produce enough ethanol to meet the mandate requirements.
- Claims infrastructure is in place to make this work because retailers in this state already sell ethanol.

#### Questions/Comments from the Committee:

Ainsworth – What about the price trend issue? Ethanol trending with gas rather than corn?

• Ethanol is a component of gas. Fair market pricing.

*Towns* – We need to make sure this concept is workable logistically.

#### Brian Jennings - American Coalition for Ethanol (In Favor)

- www.ethanol.org
- Federal government gives refiners/blenders a tax credit to blend ethanol with their fuel through 2010. This credit has been extended a number of times.
- 51 cents/gallon on E-10.

#### Jeff Schoepke – Wisconsin Manufacturers & Commerce (Against)

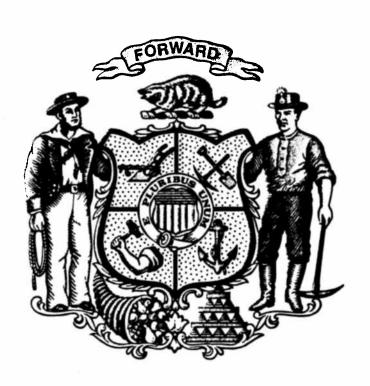
- WMC feels this bill would provide no substantial direct benefit to corn producers.
- Concerned about exacerbating the problems in the southeast Wisconsin non-attainment area. Non-attainment areas get hit with additional regulatory requirements, which increase the cost to do business.
- Encourages the committee to wait until the SEMCOG study (from Michigan) is complete before making any decisions on the bill.

#### Ralph Groschen – Minnesota Department of Agriculture (In Favor)

- E-10 has been a positive thing for Minnesota.
- As part of requiring E-10, the state set up an ethanol hotline for people to report problems. First year, they had a number of calls and investigated complaints, but found no significant problems. Since then, Ralph compares it to the Maytag Repairman's phone...
- Minnesota does not have the same type of non-attainment issues Wisconsin does. CO v. Ozone.

#### **Bob Olsen – Wisconsin Corn Growers Association (In Favor)**

- Considers himself an "average corn farmer in Wisconsin."
- It's important for people to remember that the people who buy ethanol are the Exxon's of the world, and they had a profit of \$25 billion last year.



#### **Testimony of**

Rod Nilsestuen, Secretary
Wisconsin Department of Agriculture, Trade and Consumer Protection

To

Assembly Agriculture Committee Representative Al Ott, Chairman February 3, 2005

Mr. Chairman and members of the committee. Thank you for the opportunity to testify on Assembly Bill 15 (AB15). I look forward to working with you on the legislation to see if we can address concerns that will be raised today and send a bill to the Governor that he can sign.

AB15, and it's Senate companion bill, Senate Bill 15, will help Wisconsin diversify it's mix of energy, rural economic opportunity and farmer income.

Wisconsin currently consumes 2.6 billion gallons of gasoline a year. With a state requirement that 10% be comprised of ethanol, we will make sure that 265 million of those gallons are produced from Midwest corn versus Mideast oil.

Currently, the state is producing 120 million gallons per year. With two additional plants that are due to come on line in 2005, production should reach 210 million gallons per year.

In his State of the State Address, the Governor announced his biofuels initiative. Ethanol will continue to be part of Wisconsin's "portfolio". The ethanol plants that are already operational have proven themselves to be profitable. We expect nothing less from the plants that are currently under construction. Through their successes, the industry is proving themselves to be a growth industry. The best way the State of Wisconsin can help this industry, while capitalizing on the proven benefits of ethanol, is to support this proposal to move the market forward.

The benefits of having a strong, private and farmer-owned ethanol industry in the state goes beyond production of fuel. The plants already in operation have helped rural communities and farmers diversify their market opportunities in the short-term, but the long-term benefits they realize may be even more immense.

These plants have positioned rural communities and farmers for the emerging "biobased" industries of the future. The refining capacity of ethanol plants and their byproducts will be an important part of our next, value-added strategy for agriculture and forest products. As other countries, particularly those to our south, move into production of corn and soybeans, our farmers may get edged out of international

markets. Ethanol and other emerging bio-based products will be the farmer's future value-added market opportunities.

So, Mr. Chairman and members of the Committee, I hope that we can work to advance this legislation, meet concerns raised to the best of our ability and help position Wisconsin for the energies and industries of the future that help farmers and our rural communities.

Thank you.



#### Hearing on Assembly Bill 15 February 3, 2005

## Testimony of Al Shea Administrator, Division of Air and Waste Management Wisconsin Department of Natural Resources

Good morning. My name is Al Shea. I am the Administrator for the Air and Waste Division for the Department of Natural Resources. Thank you for the opportunity to testify on Assembly Bill 15.

The Department supports the development of biofuels, such as ethanol, to both mitigate some of the environmental problems associated with the use of fossil fuels, as well as to provide markets for Wisconsin's farm economy. In regard to AB 15, the Department believes it is responsible to inform this Committee as to the impacts the bill could have on Wisconsin's environment. To that end the Department has the following comments. Please note, for brevity, I will refer to conventional gasoline blended with 10% ethanol as E10.

- 1. The Department's primary concern with the impacts of AB 15 is with regard to <u>ozone</u> formation.
- 2. The Department believes the AB 15 will have a <u>marginal adverse impact</u> on ozone formation in the state. For example, our calculations have estimated that in a rural area of the state, NOx emissions (an ozone precursor) increases would potentially increase ozone concentrations from 1-3% on a hot summer day. In an urbanized county, our estimation is this bill will have negligible impacts on ozone formation.
- 3. The Department believes that AB 15, by itself, would not trigger a non-attainment designation for those counties surrounding the current non-attainment counties.
- 4. The Department has three suggestions for improving the environmental impacts of Assembly Bill 15. These are:
  - Blend 10% ethanol with conventional gasoline to attain a Reid vapor pressure of 9.0 psi, the same as conventional gasoline. Without doing this, the Reid vapor pressure of E-10 would be 10.0 psi, the major reason for the Department's environmental concerns. However, while this sounds relatively easy to do, in practice it may be very difficult to accomplish, as it requires the EPA Administrator to grant a waiver to Wisconsin for this purpose. Limiting the volatility will add to the expense to the fuel.
  - b. Adopt a technology specification for gas cans sold in Wisconsin. We suggest gas cans that meet California specifications that limit evaporation, spillage and permeation through the side of the can. The high-tech gas cans cost about \$4 more than a conventional can, but after a two year "payback" period the user actually saves money from reduced gasoline loss.

- c. Adopt a requirement that all gasoline storage tanks in Wisconsin install pressure vent caps. These caps cost about \$90 to install, but the payback period is very short. Gas station owners will recoup their investment in less than a year. Currently Madison Gas and Electric is paying to install pressure vent caps in stations in the Madison area.
- 5. The last issue that I would like to address is reformulated gasoline. I know you have a lot of questions concerning the use of ethanol in the reformulated gasoline sold in the Milwaukee area. It is true that the reformulated gasoline sold in the Milwaukee area contains 10% ethanol, but that is where any similarity between E10 and reformulated gasoline ends.

  Reformulated gasoline sold in Milwaukee has a Reid vapor pressure of 6.9 psi. v. 10.0 psi for E10. Reformulated gasoline is refined to meet very specific requirements written into the Clean Air Act including a 25% reduction in VOC emissions and reduction in toxic compounds such as benzene. While these specifications make it an excellent emission reduction strategy for Southeastern Wisconsin, there are no such specifications for E10. Can we simply require reformulated gasoline statewide? The answer is "no." The Federal Clean Air Act is very specific and reformulated gasoline can only be used in ozone nonattainment areas designated as marginal, moderate, serious, severe or extreme. The state is even barred from requiring reformulated gasoline use in the "basic" nonattainment areas (Kewaunee, Manitowoc and Door Counties).

Thank you again for the opportunity to testify today. The Department stands ready to assist the Legislature in development of this bill.



DATE: February 3, 2005

#### FOR IMMEDIATE RELEASE: CITIZENS OPPOSE ETHANOL MANDATE

**CONTACT:** Sarah Lloyd, 920/210-7335

Christa Westerberg, Glenn Stoddard, 608/256-1003

While the State Assembly Agriculture Committee hears testimony today on a proposal to require 10% ethanol content in gasoline (AB 15), a grassroots group of citizens has come out strongly against the measure.

The citizens are residents of communities that have successfully fought ethanol plants in Arlington, Algoma, Elba, Cambria, Horicon, and Menomonie. Some ethanol battles are still pending, as in Augusta, Dunn County, and Necedah Township. The citizens are members a grassroots coalition called WISLE (Wisconsin Initiative for Sustainable Local Environments) that opposes ethanol and ethanol plants, primarily for environmental and land use reasons.

The proposed ethanol legislation will undoubtedly increase ethanol production in Wisconsin, but members of WISLE have learned that ethanol plants are bad neighbors. Said Jody Slocum of Dunn County Concerned Citizens, "Our group has spent the last 2 years trying to keep an ethanol plant out of our neighborhood. We have studied the issue thoroughly. There are many serious health and environmental concerns. There are concerns about turning our farmland into producing fuel rather than food. There are issues about encouraging growing corn on this scale. The issue of the huge amount of water these plants draw from our aquifers hasn't been studied. There are many unknowns and now is not the time to mandate that we have it in our gasoline."

John Mueller of Cambrians for Thoughtful Development said, "Producing ethanol contributes to the degradation of our air quality right here in Wisconsin. For example, a state of the art ethanol plant coming online this spring in Fries land is permitted by the WDNR to discharge 76.2 Tons per Year (TPY) of particulate matter, 97.5 TPY of nitrogen oxides, 90.9 TPY of Volatile Organic Compounds, and 97.3 TPY of Carbon Monoxide. This week, the entire state of Wisconsin has been under an air quality health advisory issued by the WDNR. It's irresponsible for our Legislature to enact a mandate to encourage an industry that routinely emits hundreds of tons of pollutants per year."

The Wisconsin Attorney General sued the Ace Ethanol plant in Stanley for exceeding air emissions and failing to install pollution control equipment. That case settled in January 2004, when the plant agreed to reduce emissions and pay a forfeiture to the State.

Members of WISLE also point to safety risks from ethanol plants, which store large amounts of explosive and flammable materials on-site. In August of 2003, an employee at a small ethanol plant in Plover suffered burns over 50% of his body in an

accident at that plant. More recently, an employee at an ethanol plant in Minnesota was killed in an explosion at the plant.

According to members of WISLE, ethanol does not even deliver its promised benefits, such as cleaner air, jobs, and reduced dependence on foreign oil. Said Mueller, "Producing a gallon of ethanol requires much greater inputs of energy in the form of natural gas and electricity than producing a gallon of pure gasoline. Best estimates from advocates suggest a slight gain in energy produced versus energy consumed. More realistic estimates suggest that the ratio is at the break-even point or worse. This does nothing to reduce our dependence on foreign oil and will only increase competition for already dwindling supplies of domestic natural gas."

Ethanol also requires massive government subsidies, according to Tom He-man of Dunn County Concerned Citizens. "Ethanol means millions of dollars to a few very big players, such as ADM, paid by all of us taxpayers."

Sarah Lloyd, also of Cambrians for Thoughtful Development, said, "Ethanol is not a long-term solution for meeting our energy needs. Rather than focusing our attention on what is, at best, a stop-gap measure, we need to focus on more permanent solutions like increasing energy efficiency, solar, and hydrogen."







DATE: February 3, 2005

TO: Representative Al Ott

FROM: Matt Hauser, Director of Government Affairs

RE: Assembly Bill 15

At a previous meeting, you asked PMAW/WACS to provide you with written comments regarding proposed changes to the fuel specification requirements of state statutes chapter 168.04.

Our members concerns are generated in part by fuel mandates or boutique fuel requirements under federal law. The proliferation of boutique fuels or non-interchangeable blends has fragmented the petroleum distribution system and makes it more susceptible to supply disruptions and regional price spikes. Our preference is to have less boutique fuel requirements or perhaps one regional fuel blend.

The PMAW/WACS Government Affairs Committee, when reviewing this issue, recognized that 40 percent of the fuel currently sold in Wisconsin is blended with ethanol. Many of our members sell it. We have no quarrel with ethanol but we do have concerns over another government fuel specification requirement.

We also share your desire to promote Wisconsin's economy and agriculture industry. Our members provide over 70 percent of the fuel used on family farms and in agribusiness. Therefore, we do not wish to see any unintended consequences of this proposal hurt the very people it is intended to help--Wisconsin farm families.

Some of our members have concerns about ethanol quality, especially given the recent media attention to fuel problems in Milwaukee. Implementing an ethanol inspection and testing program within the Department of Commerce similar to existing fuel inspection programs could address these concerns.

We support timing the effective date of any government fuel specification requirement so as to assure the availability of fuel. Minnesota marketers suggest it is crucial to have blended product available at all terminals to help prevent supply and price disruptions and to help facilitate a smooth transition from conventional to all ethanol-blended fuel. Our members have also reported that tank upgrades may be needed at some terminals. These upgrades require state permits and may take as long as nine months to complete.

A fuel waiver system is also needed. In the event ethanol is not generally available at a particular terminal, retailers should have the flexibility to continue to meet the fuel needs of their customers. Waivers are allowed under the federal Clean Air Act for reformulated gasoline, and could be a simple process coordinated by the state Departments of Agriculture, Commerce and/or Administration.

PETROLEUM MARKETERS ASSOCIATION OF WISCONSIN

WISCONSIN ASSOCIATION OF CONVENIENCE STORES



We have heard from air quality experts that the statewide use of ethanol may negatively impact the ozone attainment status of counties bordering the current six county ozone non-attainment area in SE Wisconsin. If it does have an impact, this fuel specification requirement might lead to yet another new government fuel requirement as a result or air quality impacts. We believe air quality issues should be examined.

We are also concerned that any new government fuel specification requirement is enforced uniformly across our industry including Native American owned gas stations. We question whether the fuel specification requirements of Chapter 168.04 are enforceable on Native American owned businesses. If not, we encourage you to ask the Administration to include this fuel specification requirement in compact negotiations to help ensure uniformity in Wisconsin's retail fuel industry.

Finally, petroleum marketers are being asked to follow and enforce a new government fuel specification requirement. In light of today's 24 hour unattended fuel dispensing locations, we ask that you not penalize marketers because some customers purchase non-ethanol blended fuel for non-exempt motor vehicles.

On behalf of the PMAW/WACS Board of Directors and members, I respectfully ask you to consider these suggestions as you review Assembly Bill 15. Again, thank you for taking the time to consider our thoughts. Should you have any questions, please do not hesitate to contact me at (608) 256-7555 or by email: <a href="mailto:mhauser@pmawwacs.org">mhauser@pmawwacs.org</a>.

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PMAW/WACS represents over 2000 independent businesses engaged in petroleum marketing, convenience stores, truck stops and related services. Our members provide nearly all the home heating oil sold in Wisconsin and nearly 70 percent of the fuel used in agriculture and industry. These locally owned businesses employ approximately 20,000 Wisconsin citizens.